



# Senate

General Assembly

**File No. 245**

January Session, 2009

Substitute Senate Bill No. 881

*Senate, March 26, 2009*

The Committee on Commerce reported through SEN. LEBEAU of the 3rd Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

## ***AN ACT CONCERNING INTERNATIONAL COMMERCE.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. (NEW) (*Effective from passage*) The Department of  
2 Economic and Community Development shall establish an  
3 international trade development program, in which the department  
4 shall contract with no more than twenty trade developers who shall  
5 facilitate international trade agreements between Connecticut  
6 companies and other countries. Compensation for such trade  
7 developers shall be on a commission basis determined on the value of  
8 the international trade agreement facilitated by a trade developer. The  
9 department shall develop guidelines for such program.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>from passage</i>	New section
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***Statement of Legislative Commissioners:***

The second to the last sentence was reworded for consistency with the intent of the bill.

***CE***      *Joint Favorable Subst.-LCO*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

### **OFA Fiscal Note**

#### **State Impact:**

Agency Affected	Fund-Effect	FY 10 \$	FY 11 \$
Department of Economic & Community Development	GF - Cost	120,100	109,500
Comptroller Misc. Accounts (Fringe Benefits) <sup>1</sup>	GF - Cost	16,405	16,405

Note: GF=General Fund

**Municipal Impact:** None

#### **Explanation**

The bill will result in a cost to the Department of Economic and Community Development (DECD) associated with personnel costs to establish an international trade development program and execute contracts with trade developers. DECD would require outside counsel, paid at the hourly rate of approximately \$225, to develop and execute the contracts. Based on previous contract development, this is estimated to cost approximately \$10,600. The cost for contracting with the maximum level of 20 developers could total approximately \$90,000. The annual cost to execute the contracts is dependent upon the number of trade developers chosen to facilitate international trade agreements, and the time period in which the contracts could be executed. The costs identified in the above table reflect the execution of ten contracts in each fiscal year.

<sup>1</sup> The fringe benefit costs for state employees are budgeted centrally in the Miscellaneous Accounts administered by the Comptroller on an actual cost basis. The following is provided for estimated costs associated with additional personnel. The estimated non-pension fringe benefit rate as a percentage of payroll is 25.43%. Fringe benefit costs for new positions do not initially include pension costs as the state's pension contribution is based upon the 6/30/08 actuarial valuation for the State Employees Retirement System (SERS) which certifies the contribution for FY 10 and FY 11. Therefore, new positions will not impact the state's pension contribution until FY 12 after the next scheduled certification on 6/30/2010.

In addition, DECD would require a staff member to manage the international trade development program and monitor contractual agreements. The annual cost of a full-time Economic and Community Development Agent is approximately \$80,916 (\$64,511 salary, \$16,405 fringe benefits).

***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

*Source: Department of Economic and Community Development, CORE-CT Financial Accounting System, Department of Administrative Services,*  
[http://www.das.state.ct.us/HR/CompPlans/Cmp\\_Cur\\_list\\_doc.asp](http://www.das.state.ct.us/HR/CompPlans/Cmp_Cur_list_doc.asp)

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**OLR Bill Analysis****SB 881*****AN ACT CONCERNING INTERNATIONAL COMMERCE.*****SUMMARY:**

This bill requires the Department of Economic and Community Development (DECD) to promote international trade and specifies how it must do so. DECD must contract with up to 20 “trade developers” who must facilitate international trade agreements between Connecticut companies and other countries. The developers are to be compensated by commissions based on the trade agreement’s value. DECD must develop guidelines for the program.

EFFECTIVE DATE: Upon passage

**COMMITTEE ACTION**

Commerce Committee

Joint Favorable

Yea 19 Nay 1 (03/10/2009)